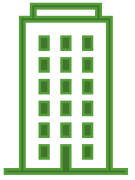


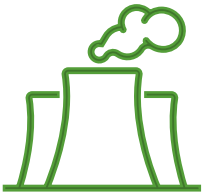
# The Hub Power Company Limited

Analysts Briefing  
February 2023

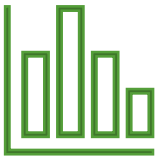




## Company Profile



## Key Milestone Achieved



## Operational and Financial Highlights



## Future Growth



# Company Profile



## Company Profile

Pakistan's first and largest Independent Power Producer with investments across the energy value chain

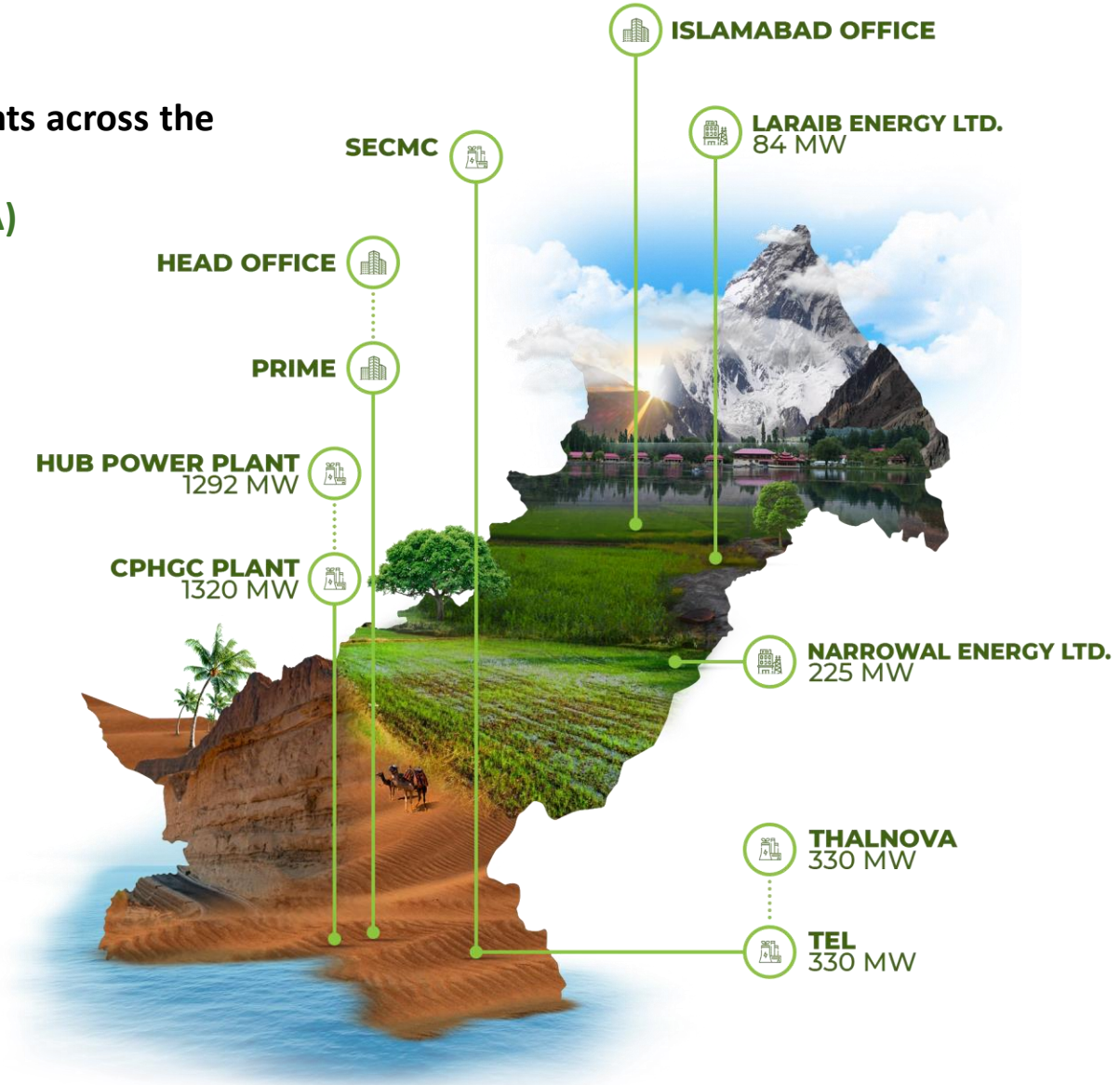
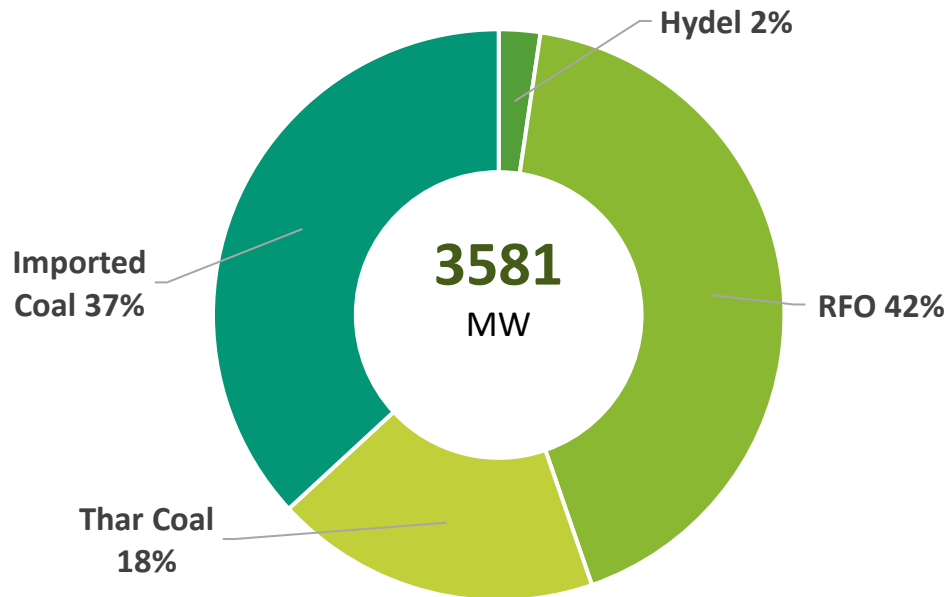


**POWER CAPACITY**  
**3,581 MW**



**MINING CAPACITY (MTPA)**  
**7.6**

Power Capacity breakdown by Fuel



# Key Milestone Achieved

## Commercial Operations Date (COD) achieved for three Thar based projects



330 MW Thar Energy Limited

October 1, 2022

- Post-COD generation of ~ 690 gWh maintaining ~ 95% availability
- Hubco's holds 60% shares with investment of US\$ 79 mn which is expected to yield ROE of 30.65% as per Upfront Tariff - subject to tariff true-up
- Due to very low variable cost, ranks in top 5 in merit order



330 MW ThalNova Power

February 16, 2023

- Post-COD generation of ~ 33 gWh maintaining ~ 99% availability
- Hubco's holds 38.3% shares with investment of US\$ 52 mn which is expected to yield ROE of 30.65% as per Upfront Tariff - subject to tariff true-up
- Due to very low variable cost, ranks in top 5 in merit order



SECMC Phase II

October 10, 2022

- Expansion of capacity from 3.8 MTPA to 7.6 MTPA leading to considerable reduction in coal price
- In Dec-2022, TCEB issued the COD-stage tariff for Phase I
- Hubco holds 8% shares

*The COD of Thar based projects has reduced reliance on imported fuels, resulting in significant foreign exchange savings, reduction in cost of electricity and a positive impact on the national economy and the Company's share holders*



# ENI Pakistan

**By acquisition of ENI Pakistan's E&P Business, Hubco has diversified into the Upstream Oil & Gas Sector**

## Acquisition Transaction

Following approval from regulatory authorities and completion other conditions, the acquisition was concluded on December 30, 2022.

## Future Prospects

E&P sector strategy, the JV will pursue organic growth opportunities in owned assets as well as potential growth opportunities in new fields based on government auctions.





## China Power Hub Generation Company (CPHGC)

### Project Completion Date

- CPGHC's lenders declared Project Completion under the terms of financing agreements on February 23, 2023
- Following the declaration, Hubco's obligation to maintain USD 150 Mn Standby Letter of Credit (SBLC) is released
- This will further enable CPGHC to pay dividends to its shareholders subject to availability of distributable profits
- Hubco's holds 46% beneficial interest with investment of US\$ 249 mn which is expected to yield ROE of 27.2% as per Upfront Tariff - subject to tariff true-up

### Insurance Claim – Transformer Damage

- Unit 1 of the plant experienced a transformer failure in July 2021 and successfully returned to service on January 6, 2022
- The Company's insurance claim against property damage and business interruption has been accepted for total amount of USD 65 Mn

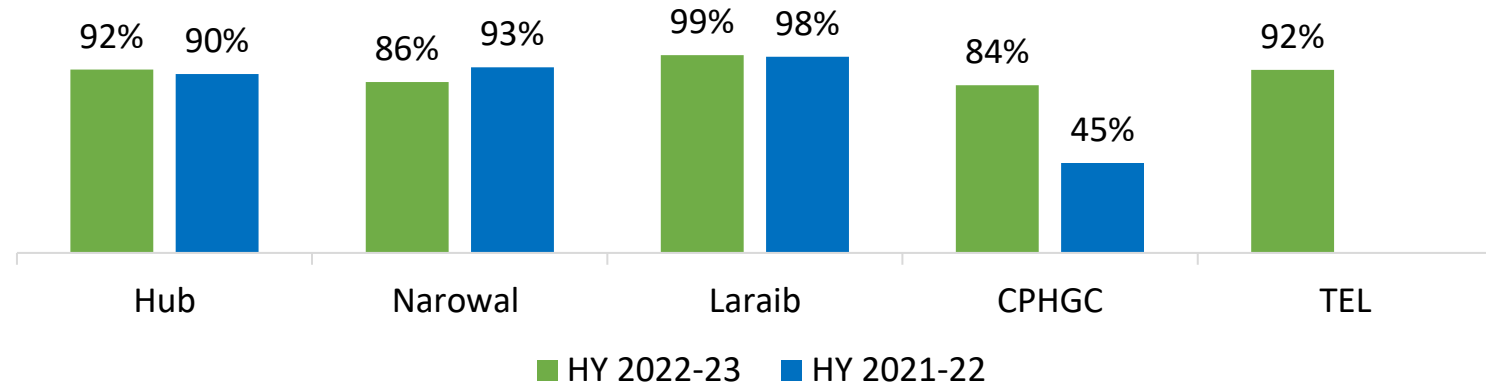




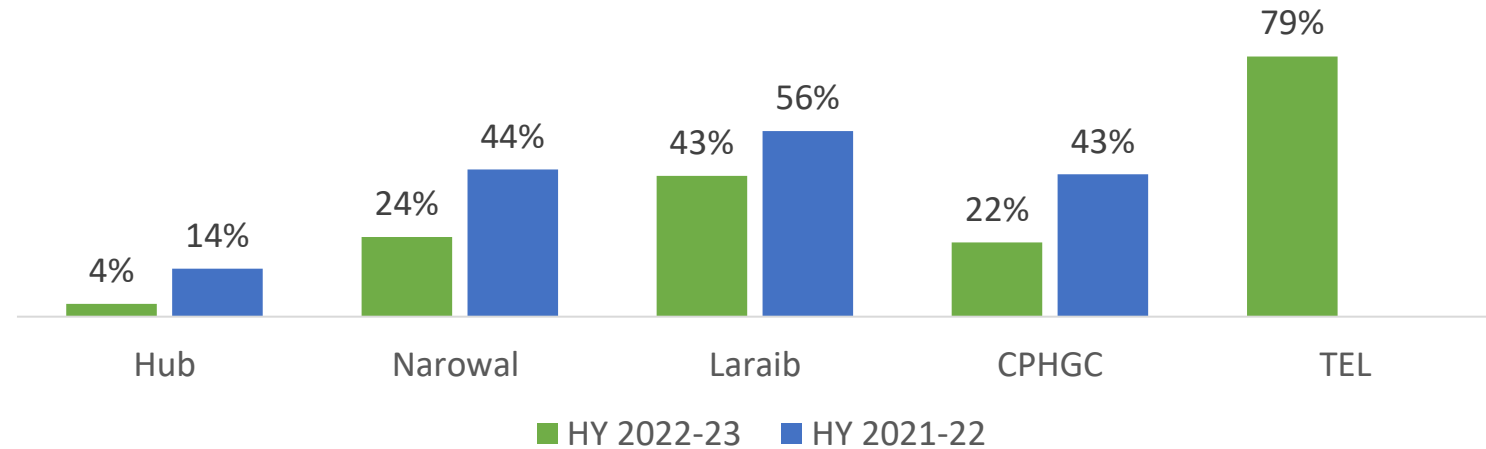
# Operational and Financial Highlights

## Operational Highlights For the Half Year Ended December 31, 2022

Availability



Load Factor



- Due to transformer failure in July 2021, Unit-1 of CPHGC became unavailable till January 6, 2022, resulting in lower availability
- TEL achieved COD on 1<sup>st</sup> Oct 2022.



## Financial Snapshot For Half Year Ended December 31, 2022

PKR Mn	Unconsolidated			Consolidated		
	2022-23	2021-22	▲▼%	2022-23	2021-22	▲▼%
Revenue	<b>25,831</b>	31,470	▼18%	<b>54,687</b>	<b>46,267</b>	▲18%
Gross Profit	<b>12,407</b>	11,282	▲10%	<b>22,585</b>	<b>15,808</b>	▲43%
EBITDA	<b>21,323</b>	12,876	▲66%	<b>38,546</b>	<b>18,895</b>	▲41%
Net Profit	<b>15,763</b>	9,066	▲74%	<b>22,398</b>	<b>12,212</b>	▲83%
EPS (PKR)	<b>12.15</b>	6.99	▲74%	<b>17.27</b>	<b>9.41</b>	▲84%

### Reasons for variance in net profit

Unconsolidated	Consolidated
<p>▲ Higher dividend from NEL</p> <p>▼ Higher finance cost due to higher interest rates</p>	<p>▲ Higher share of profit from CPHGC mainly due to indexation of revenue and recognition of insurance claim</p> <p>▲ Commencement of profits from Thar Energy Limited</p> <p>▲ Depreciation of PKR against USD</p> <p>▼ Higher finance cost due to higher interest rates</p>

# Future Growth



# Future Growth Strategy



Water

- Following award of Right of First Refusal (ROFR) in respect of Wastewater Recycling project at SITE, Hubco is looking forward to participate in the competitive bidding phase once announced by Government of Sindh



EV Infrastructure

- Hubco is reviewing the opportunities in renewable energy as market reforms are implemented and new areas of interest materialize
- The Company is also actively evaluating opportunities in electric vehicles and its related infrastructure to further diversify our portfolio as the government aims to meet the country's carbon reduction targets

# Thank You